

**UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF FLORIDA
TAMPA DIVISION**

**UNITED STATES SECURITIES AND
EXCHANGE COMMISSION,**

Plaintiff,

v.

**WILLIAM HUTCHINSON A/K/A
WILLIAM CLUXTON,**

Defendant.

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: **Case No.**
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**COMPLAINT FOR INJUNCTIVE AND OTHER RELIEF AND DEMAND FOR
JURY TRIAL**

Plaintiff United States Securities and Exchange Commission (“the Commission”) alleges as follows:

SUMMARY

1. From at least March 2018 through December 2018, William Hutchinson (“Hutchinson”), who also goes by the name William Cluxton (“Cluxton”), conducted a fraudulent securities offering in the name of Symulto Corporation (“Symulto”), a company formed by Hutchinson.

2. Hutchinson represented on Symulto’s website and in offering documents that, among other things, Symulto: was in the business of developing stored-value debit card services and software for international electronic gaming and sports books; had operations all over the world; had sales of over \$251 million and net income of over \$86 million; and had been audited by a large, multi-national accounting firm (“Auditor A”). All of these statements were false. In reality, Symulto never had any business operations, assets or income, and Auditor A never performed any work for Symulto.

3. Hutchinson raised at least \$35,000 through the offer and sale of Symulto stock and misappropriated the investors' funds.

4. By engaging in the conduct alleged in this Complaint, Defendant Hutchinson violated Section 17(a) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. § 77q(a)], Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. §§ 78j(b)], and Rule 10b-5 [17 C.F.R. § 240.10b-5] thereunder.

5. The Commission seeks a permanent injunction against Defendant Hutchinson to enjoin him from future violations of these provisions of the federal securities laws. The Commission also seeks an order requiring Hutchinson to pay disgorgement of the ill-gotten gains he received through his fraud, plus prejudgment interest, and civil penalties pursuant to Section 20 of the Securities Act [15 U.S.C. § 77t] and Section 21 of the Exchange Act [15 U.S.C. § 78u].

JURISDICTION AND VENUE

6. This Court has jurisdiction over this action pursuant to Sections 20 and 22 of the Securities Act [15 U.S.C. §§ 77t and 77v] and Sections 21 and 27 of the Exchange Act [15 U.S.C. §§ 78u and 78aa]. Defendant Hutchinson, directly or indirectly, has made use of the means or instruments of transportation or communication in interstate commerce, or the means or instrumentalities of interstate commerce, or of the mails, or of any facility of any national securities exchange in connection with the acts, practices and courses of business alleged in this Complaint.

7. Venue is proper in this Court pursuant to Section 22 of the Securities Act [15 U.S.C. § 77v] and Section 27 of the Exchange Act [15 U.S.C. § 78aa] because certain of the acts, transactions, practices, and courses of business constituting the violations

alleged in this Complaint occurred within this district. In addition, Defendant Hutchinson resided and transacted business within this district.

DEFENDANT

8. William Hutchinson is 74 years old and resides in Sarasota, Florida. On information and belief, Hutchinson is retired, but previously worked in a variety of industries in New York and Florida. Hutchinson also has used the names “William Cluxton” or “Bill Cluxton” for the past several years.

RELATED ENTITY

9. Symulto Corporation was incorporated by Hutchinson in Florida in August 2016 and in Delaware in August 2018. Symulto’s website represented that it was in the business of developing stored-value debit card services and software for international electronic gaming and sports books. In September 2017, the state of Florida administratively dissolved Symulto’s registration for failing to file an annual report.

FACTS

10. In the fall of 2016, Hutchinson incorporated Symulto in Florida and opened a bank account in Symulto’s name at a large U.S. bank. Hutchinson was the sole authorized signer on the bank account.

11. Hutchinson then created several documents for a purported securities offering by Symulto.

12. Among other things, Hutchinson prepared a private placement memorandum, an annual report for 2017, a purported draft registration statement on Commission Form S-1 indicating that Symulto planned to go public through an initial public offering, and a PowerPoint presentation that described Symulto’s purported

business operations and included links to Symulto's "audited" financial statements for 2017 (collectively, the "offering documents").

13. Hutchinson also developed and published a website for Symulto on the Internet that included links to, among other things, the offering documents listed above.

14. The offering documents and website that Hutchinson created contained numerous misrepresentations about Symulto and Hutchinson. Hutchinson knew that the representations he made about Symulto and his contributions to Symulto discussed below were materially false and misleading.

15. The draft registration statement represented, among other things, that Symulto was a global platform that "facilitates the movement of money and information for e-gaming and sports books and e-pats throughout the world." It further represented that the company had been formed in January 2009 as Cluxton Corporation and had operated in Seychelles for several years until it returned to the United States in 2015 and changed its name to Symulto Corporation.

16. The draft registration statement also represented that, as of December 31, 2017, Symulto had:

- 575 million registered accounts available in 210 markets and more than 255 million monthly active users;
- Localized marketing in 81 markets around the world, with operation and development centers located in 15 locations, including the United States, Germany, China, Ireland, Brazil, India, Singapore, Malaysia, Israel and Seychelles; and

- Total current assets of \$199,856,367, including “cash in banks” of \$93,540,907, and total liabilities of \$4,271,101.

17. The 2017 annual report, which was included in the registration statement, represented that Symulto had gross profits of \$171 million on revenues of \$252 million in 2017; that Symulto had operated profitably since 2013; and that it had rapid growth in sales and profits between 2013 and 2017.

18. The registration statement and 2017 annual report also included a letter purportedly prepared by Auditor A, as Symulto’s external auditor, stating that the consolidated financial statements fairly presented Symulto’s financial position as of December 31, 2017.

19. The offering documents also represented that Hutchinson, under the name “William ‘Bill’ Cluxton”, founded and funded Symulto with personal funds in excess of \$6 million.

20. All of the above representations were false. In reality, Symulto never had any operations or revenues. Further, Hutchinson did not contribute millions of dollars to Symulto. Also, Auditor A was not Symulto’s outside auditor and never had performed any work for Symulto.

21. Hutchinson hired stock promoters to locate individuals to invest in Symulto stock. Hutchinson packaged the offering documents together with a stock purchase agreement and provided them to at least two stock promoters who were located in British Columbia, Canada and the United Arab Emirates. Hutchinson did not tell the stock promoters that the stock offering was fictitious or that Symulto did not have any operations or revenues.

22. Between approximately March and August 2018, four investors located in Canada purchased Symulto stock. These four investors signed stock purchase agreements, sent them to Hutchinson, and invested approximately \$35,000 by making wire transfers to Symulto's U.S. bank account.

23. After Hutchinson received the stock purchase agreements and funds from the investors, Hutchinson sent approximately 40% of the money (\$14,000) back to the stock promoters. He used almost all of the remaining \$21,000 for personal expenses.

24. During the fall of 2018, Hutchinson also offered Symulto stock to at least two potential investors who reside in the United States. During conversations with these potential investors, Hutchinson repeated his false representations about Symulto's business, finances and rapid growth prospects and told the investors that Auditor A had acted as Symulto's outside auditor.

COUNT ONE

Violations of Sections 17(a)(1), 17(a)(2), and 17(a)(3) of the Securities Act [15 U.S.C. §§ 77q(a)(1), 77q(a)(2), and 77q(a)(3)]

25. The Commission realleges and incorporates by reference paragraphs 1 through 24.

26. Hutchinson, in the offer or sale of securities, by the use of the means and instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly: (a) employed devices, schemes and artifices to defraud; (b) obtained money and property by means of untrue statements of material fact and by omitting to state material facts necessary to make the statements made, in light of the circumstances under which they were made, not misleading; and (c) engaged in

transactions, practices, and courses of business which operated or would operate as a fraud or deceit upon the purchasers of such securities.

27. Hutchinson acted knowingly, with a reckless disregard for the truth, and/or negligently in engaging in the fraudulent conduct described above.

28. By engaging in the conduct described above, Hutchinson violated Sections 17(a)(1), 17(a)(2), and 17(a)(3) of the Securities Act [15 U.S.C. §§ 77q(a)(1), 77q(a)(2), and 77q(a)(3)].

COUNT TWO

Violations of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5]

29. The Commission realleges and incorporates by reference paragraphs 1 through 24.

30. Hutchinson, in connection with the purchase or sale of securities, by the use of the means or instrumentalities of interstate commerce or of the mails, directly or indirectly: (a) used and employed devices, schemes or artifices to defraud; (b) made untrue statements of material fact or omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; and/or (c) engaged in acts, practices or courses of business which operated or would operate as a fraud or deceit upon other persons.

31. Hutchinson knowingly or recklessly engaged in the fraudulent conduct described above.

32. By engaging in the conduct described above, Hutchinson violated Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

RELIEF REQUESTED

WHEREFORE, the Commission respectfully requests that this Court grant the following relief:

I.

Enter an Order finding that Defendant Hutchinson committed, and unless restrained, will continue to commit the violations alleged in this Complaint.

II.

Permanently restrain and enjoin Defendant Hutchinson from, directly or indirectly, violating or aiding and abetting violations of Sections 17(a)(1), 17(a)(2), and 17(a)(3) of the Securities Act [15 U.S.C. §§ 77q(a)(1), 77q(a)(2), and 77q(a)(3)], and Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 CFR § 240.10b-5].

III.

Order Defendant Hutchinson to disgorge the ill-gotten gains that he directly or indirectly received as a result of the violations alleged in this Complaint, plus prejudgment interest.

IV.

Order Defendant Hutchinson to pay civil penalties pursuant to Section 20 of the Securities Act [15 U.S.C. § 77t] and Section 21 of the Exchange Act [15 U.S.C. § 78u].

V.

Retain jurisdiction of this action in accordance with the principles of equity and the Federal Rules of Civil Procedure in order to implement and carry out the terms of all orders and decrees that may be entered or to entertain any suitable applications or motions for additional relief within the Court's jurisdiction.

VI.

Grant orders for such other relief as the Court deems necessary and appropriate.

JURY DEMAND

Pursuant to Rule 38 of the Federal Rules of Civil Procedure, the Commission hereby requests a trial by jury on all issues so triable.

Dated: August 29, 2019

Respectfully submitted,

**UNITED STATES SECURITIES AND
EXCHANGE COMMISSION**

/s/ John E. Birkenheier
John E. Birkenheier, Trial Counsel
birkenheierj@sec.gov
Illinois Bar No. 6270993

Richard G. Stoltz, stoltzr@sec.gov
Illinois Bar No. 6287486

Anne C. McKinley, mckinleya@sec.gov
Illinois Bar No. 6270252

Attorneys for Plaintiff
U.S. Securities and Exchange Commission
Chicago Regional Office
175 West Jackson Blvd., Suite 1450
Chicago, Illinois 60604
(312) 353-7390
(312) 353-7398 (fax)